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C O N F I D E N T I A L SECTION 01 OF 02 NOUAKCHOTT 000583

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STATE FOR AF/W; AF/EPS (S. BRUNDAGE, A. ADLER J. HAENI); EB/CBA (D. WINSTEAD) USDOC FOR 4510/MAC/OA/PMICHELINI/HVINEYARD 3131/CS/ANESA/OIO/RD/DHARRIS/GLITMAN/MSTAUNTO N DAKAR FOR RSCO CGRIFFIN

E.O. 12958: DECL: 05/15/2016

TAGS: ECON EFIN EINV MR

SUBJECT: MAURITANIAN-EU FISHING NEGOTIATIONS STALLED

Classified By: CLASSIFIED BY AMBASSADOR JOSEPH LEBARON, REASON 1.4 (B), (D)

(U) Key Points

- -- Mauritanian-European Union fish agreement negotiations are stalled as the two sides were unable to agree on a figure.
- -- If no new agreement is signed by the time the present agreement expires in July, Spain and other EU members will be allowed to pursue bilateral agreements.

(C) Comment

-- Spain's desire to maintain its fishing rights, as well as its desire to stem the flow of immigrants, has made Spain somewhat beholden to the transitional government. As a result, the Spanish have been muted in any criticism of the government's handling of the census and other matters, preferring to allow the EU to take the lead.

End Key Points and Comment.

Mauritanian-EU Fish Agreement Renewal Still Blocked

- 11. (U) No agreement has yet been reached in negotiations between Mauritania and the European Union for renewing its fish agreement. The two parties have been in negotiations since the beginning of this year in both Brussels and Nouakchott. The last meeting, held last week, ended without neither a resolution nor another planned meeting. There are indications that the Ministry of Fisheries may send a delegation to Brussels to continue discussion of the financial issue of the new agreement (they already agreed on the technical aspect of this agreement).
- $\underline{\P}2$. (U) The current five-year fish agreement between Mauritania and the European Union will expire on July 31, 2006 at midnight. Some countries, such as China, have started negotiating with Mauritania for short-term fish agreements.

If the EU negotiations do not result in an agreement, some EU countries, such as Spain and Portugal, could negotiate separately with Mauritania for short-period contracts (one year renewable). But these negotiations could only be possible after the end of the current agreement.

- 13. (U) The current agreement allows about 140 trawlers to operate freely in Mauritanian waters against a compensation amounting 430 million euros. The Mauritanians consider this too low considering the quantities the EU trawlers are catching in Mauritanian waters. Mauritanian fish authorities are not interested in another long-term agreement and wish to follow the Moroccan strategy to protect the over-caught species from the EU fleet.
- 14. (U) Mauritanian officials tell the Embassy that Mauritania continues to consider the EU as its potential customer for fish products but seeing the foreseen revenues from the oil, the government is being more intransigent in its position by requiring that the EU fleet declare all their catches and part of the catches be unloaded in Mauritanian territory. The Government intends to limit the exportation of fresh and frozen fish and requires its processing in Mauritania to create an employment and input the added value. According to the National Fishing Federation, the present obstacle has nothing to see with the fish processing locally but with the increasing of the fishing agreement fees.
- 15. (C) A Spanish embassy official confirmed to us that the breakdown of negotiations was the result of the two parties being unable to reach a common figure, and that Spain will pursue a bilateral agreement if the EU and Mauritania do not reach a deal.

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